

The 2nd International Conference on Business and Banking Innovations (ICOBBI)
“Nurturing Business and Banking Sustainability”
Surabaya, 14th - 15th August 2020

Proceeding Book of
The 2nd International Conference on Business and Banking Innovations
(ICOBBI) 2020
“Nurturing Business and Banking Sustainability”
Surabaya, 14 - 15th August 2020

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Indonesia**

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FOREWORD

Alhamdulillah, praise be to Allah Subhanahu Wa Ta'ala for granting us the opportunity to organize and publish the proceedings of the 2nd International Conference on Business and Banking Innovations (ICOBBI) with the topic “*Nurturing Business and Banking Sustainability*”. This proceeding contains several researches articles from many fields in Marketing, Management Technology, Finance, Banking, Human Resources Management, Information System Management, and Islamic Economics.

The 2nd International Conference on Business and Banking Innovations was held on 14th – 15th August 2020 by virtual (online) meeting and organized by the Master Management Study Program of STIE PERBANAS Surabaya in Collaboration with six Higher Education Institutions in Indonesia and five Universities from Asia countries. Keynote speakers in this conference were: Prof. Angelica M..Baylon, Ph.D (Director of the Maritime Academy of Asia and the Pacific, Philippines), Chonlatis Darawong, Ph.D. (Head of the Master of Business Program Sripatum Chonburi University - SPU Graduate School Bangkok, Thailand), Prof. Madya Dr. Reevany Bustami (Director of Centre for Policy Research and International Studies Universiti Sains Malaysia), Associate Prof. Dr. Ellisha Nasruddin (Graduate School of Business Universiti Sains Malaysia), Associate Prof. Pallavi Pathak Ph.D. (School of Management Sciences, Varanasi, India) and Prof. Dr. Tatik Suryani (Head of the Master of Management Study Program of STIE Perbanas Surabaya, Indonesia).

I would like to give high appreciation to the Rector of STIE Perbanas Surabaya for his support at this event. Acknowledgments and thank you to all the steering and organizing committees of the ICOBBI for the extra ordinary effort during the conference until this proceeding published. Thank you very much to all presenter and delegates from various Universities. Beside it, I would like to express our gratitude to the six universities, namely Universitas 17 Agustus Surabaya, Universitas Surabaya, Universitas Dr. Soetemo Universitas Dian Nuswantoro Semarang, STIE 66 Kendari, Institut Institut Bisnis dan Keuangan Nitro Makassar which has been the co-host of this event.

Hopefully, the proceeding will become a reference for academics and practitioners, especially the business and banking industry to get benefit from the various results of the research field of Business and Banking associated with Information Technology. Proceedings also can be accessed online on the website <https://pascasarjana.perbanas.ac.id>.

Chair of the Master Management Study Program
STIE Perbanas Surabaya

Prof. Dr. Tatik Suryani, M.M.

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Influencing Factors of Safety Quality Cost Delivery People on Lean Manufacturing Implementation at Directorate Production Indonesian Aerospace

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ABSTRACT

To remain competitiveness, many companies implement lean manufacturing concept as well-planned strategies. Lean manufacturing turn into an important avenue in this Revolution Industry era. The aim of this study is to analyze the important factors influencing of Safety Quality Cost Delivery People (SQCDP) in Indonesian Aerospace on implementing lean manufacturing. This research used qualitative method and Nvivo 12 Plus as a qualitative software analysis to analyze the important factors of Safety Quality Cost Delivery People (SQCDP) then used triangulation technique for validation or verification. Data was collected by observation, interviewed with 11 key informant, and documentation. The results indicate that nine factors influencing Safety Quality Cost Delivery People (SQCDP) in lean manufacturing implementation there are multi-function team, integrated information system, training, employee engagement, work discipline, work culture, motivation, top management support, organizational communication. This work also can be used by companies to initiate an effective improvement regarding lean manufacturing specifically Safety Quality Cost Delivery People (SQCDP) by identifying the maximum prospective of their improvement.

1. INTRODUCTION

Based on Central Bureau of Statistic, the accumulated results of Indonesian exports in 2018 January - October reached USD 150.88 billion, then in 2017 increased was 8.84 percent compared to the same period, while non-oil and gas exports reached USD 136.65 billion, was increased 8.73 percent (Badan Pusat Statistik, 2018). Hence, the sector of manufacturing industry was contributed significantly to the Indonesian economics. Furthermore, the business environment change rapidly, organizations are forced to face all the challenges and complexity. The implementation of lean manufacturing concept is one of the main point in an organization in order to maintain the sustainability.

According to (R, A.N., & SateeshKumar, 2014) the concept of lean manufacturing was developed to maximize resource utilization by minimizing waste. The lean manufacturing concept also need to be formulated by considering the fluctuation in the competitive business environment. In addition, the implementation of lean manufacturing concept increases technical efficiency and improves organizational performance (Margono & Sharma, 2006). Many manufacturing companies change the systems, both physical and cultural drastically by adopting lean manufacturing concept.

In recent time, company have become lean to achieve more efficient and effective in the production floor. The advantages of performance for company by implementing lean manufacturing concepts and tools was helped to improve the product quality, reduced manufacture times, reduced work in progress (WIP), consistency time of delivery, higher net income, decreased costs, better utilization of human resources, reduced inventory, faster return on inventory investment, higher levels of production, increased flexibility, improved space utilization, reduction in tool investment, more efficient utilization of machinery, stronger job focus, better skills enhancement, and increased customer satisfaction (Turesky & Connell, 2010). Manufacturing companies in Indonesia were faced hurdles in technical efficiency (Nawanir, Teong, & Othman, 2013). Therefore, by increasing technical efficiency the manufacturing company can encourage the growth positively.

Indonesian Aerospace (IAe) streamline all activities. As a world-class aerospace company based on mastering high technology and competitiveness in the global market, IAe must be able to increase competitiveness by considering quality, service and reduce costs in various wastes occur. In the production process,

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IAe applied concept of lean manufacturing and focused on five aspects, including Safety Quality Cost Delivery People (SQCDP) as a lean tools at level three in the maturity model (Figure 1) of lean manufacturing implementation. This lean tools as a parameter on continuousness of continuous improvement in the production floor Indonesian Aerospace (IAe). According to (Nugraha, 2014) stated that aspect of delivery and people are the most critical aspect on implementing lean manufacturing concept. Also, another studies identified risk of implementing lean manufacturing in aerospace industry such as KPI objective (target) is not fulfilled according to SQCDP parameter, lack of commitment and consistency while implement it, team member was not dicipline (time/absence/administration form/ checklist/ bar chart) in SQCDP meeting (Widiasih, Karningsih, & Ciptomulyono, 2015).

The aim of this study to analyze factors influencing of SQCDP on implementing lean manufacturing concept in the Aerospace Industry. In this research, we identified based on staff until manager level from change agent and production practitioner perception who implement the SQCDP as a tools of lean manufacturing. This research are structured as follows. First, we review their internal audit result of SQCDP then identified the area of SQCDP implemented well or not. Second, present the data collection by in-depth interview with key informant. Third, the data was transcript into text then the researcher analyze it.

2. THEORETICAL FRAMEWORK

Lean production (or lean manufacturing) refers to Toyota Production System concept as the fundamental of continuously minimizing waste and maximize flow. Therefore, lean implies a continuous effort to achieve state characterized by minimal waste and maximum flow (Chen & Cox, 2003).

Lean manufacturing focus on eliminating or reducing waste and also increasing or total utilization of activities that will increase the value based on customer's perspective (Ohno, 1988). To underlying the principle of lean manufacturing is to eliminate everything that is not necessary. Elimination waste is the basis of lean manufacturing (Pavnaskar, Gershenson, & Jambekar, 2003). Waste can be clear defined as use anything with minimum resources needed to produce a product. The best use of resources such as human resources, machinery, materials, time, and floor space can be achieved through The Five S's (Duncan, 1995; Hirano, H. & Rubin, 1996; Ilg, 2007; Osada, 1991).

SQCDP is a lean tools as a methodology to measure the daily team performance and deviations of the objective in Safety, Quality, Cost, Delivery, and People with FOD (foreign object damage) parameter in some certain area. SQCDP is "the key activity" to ensure the realization of industrialization vision progress and achievement of KPI (key performance of indicators) in daily activities and also SQCDP is "the key of activity" as a communication tools to ensure that critical issues/problems that unable to be solved and/or beyond of authority of the SQCDP team can be escalated to the higher level after the SQCDP team in the related area has been try to solved the issues/problems by themselves (Aerospace, 2018b).

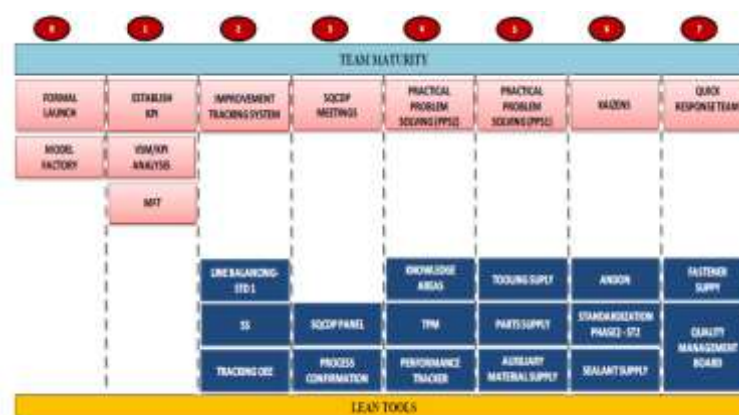


Figure 1. Maturity Model Lean Manufacturing Implementation in Indonesian Aerospace, 2018

3. RESEARCH METHOD

A. Research Design

This strategy also suggests that qualitative data is usually used to explain, interpret, understand, and

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triangulate qualitative results. According to Bogdan and Taylor, qualitative methods is a research procedures that produce descriptive data in written or oral words from people and behavior observed (Moleong, 2002).

Qualitative research methods is based on post-positivism philosophy, used to examine the conditions of natural objects (as opposed to experiments) where the researcher is a key instrument, sampling data sources is purposive sampling (according to needed) and snowball (deeper data collection), the data collection techniques with triangulation (combined), data analysis is inductive/qualitative and the results of qualitative research emphasize the meaning rather than generalization (Sugiyono, 2010).

Research subjects are those who answer the list of research questions/answer the questions raised by a researcher. Research subjects are individuals who experience directly an event, so understanding the context (Sugiyono, 2017). Research subjects in this study were Head of Divisions, Managers, and other positions, who were familiar with lean manufacturing activities at Indonesian Aerospace (IAe). The authors conducted interviews based on the results of an internal audit on the quality checklist-Lean Department Indonesian Aerospace (IAe) in each division, level and area at the Directorate Production who do not apply SQCDP with red identification as in Figure 2.

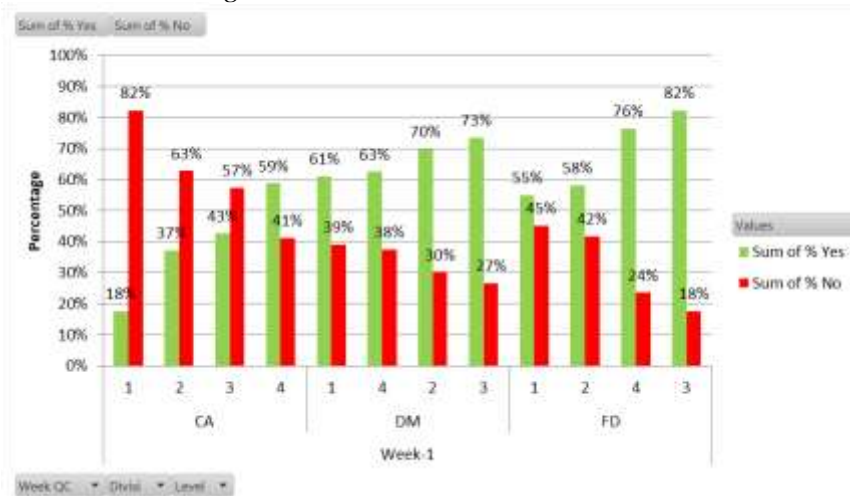


Figure 2. Internal Audit of Indonesian Aerospace, 2018.

B. Data Collection

This research collects various types of data from various sources (for examples: interviews, observations, documents, and audiovisual material). Table 1 summarizes types of data that can be collected from various forms.

Table 1. The Data Collection Techniques

Data Collection	Data Types	Data Types Definition
Interview	Interview transcription	Unstructured text data obtained from audio interview
Observation	Field notes and images	Unstructured text and image data was taken by researcher during observations
Documentation	Self-recorded notes	Public (e.g., Notes from meetings) and private (e.g., Journals)
Audiovisual	Pictures, photos, objects, sounds	Audiovisual material consist of images or sounds of people or places recorded by researchers or others

In this study, the researcher try to get as much data as possible to provide valid and comprehensive evidence using as many data sources as possible. Various sources complement each other, because there is no single source that has a complete advantage over the others (Yin, 2009). However, this study uses semi-structured interviews as the main data collection method. This can occur because one of the most important sources of the data is interview result and most of the case studies are about human affairs or behavioral (Yin, 2009). To draw a comprehensive conclusion from this study, we need some views from a number of

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informants. The next section presents ethical considerations that must be met during the data collection phase, as well as an interview protocol as a guide for researchers during the interview session.

C. Research Ethic

A preliminary visit has been conducted. During this visit, the author collected a letter of agreement, made preliminary observations and briefings with mentor (field coordinator) and her staff. In this briefing, the author highlights the purpose behind this research, benefits and process of collecting data, protecting confidentiality, how the results are used, and the rights of informants. More importantly, this preliminary visit helps the writer to refine the data collection plan, which is not only in terms of data collection procedures that must be followed but also in terms of data content. This visit helps the writer to develop relevant questions and can even provide conceptual clarification for research procedures. It is also important to clarify certain terms or words that are usually used in a company, to avoid misunderstanding the terms in the data collection process. Therefore, the preliminary visit provides an introductory insight into data collection procedures, as well as minimizing errors in actual data collection process. In interview process, time and location are determined by the informants based on their convenience. The writer was in the Lean Department at 8:00 am. Before the interview session, the informant was informed of the interview's approval, and was encouraged to ask questions to prevent misinformation and misunderstanding.

D. Interview Protocols

The data collection must be guided by protocol (Creswell, 2008). The interview protocol in this study, the authors used the results of internal audit lean department as a reference question. To get an accurate conversation record, the author records questions and responses using a voice recorder. Even though the interview using voice recording, the researcher makes a note if there is a failure of the voice recorder function. After the interview is finished, the researcher immediately copies, re-checks, and summarizes the answers to ensure the truth, accuracy, and adequacy of the information. The author also observes the company's manufacturing activities, browse the company's website to obtain relevant information and useful documents (such as annual reports and other published documents). This is done to triangulate and strengthen the interview results.

4. DATA ANALYSIS AND DISCUSSION

Data analysis in qualitative research was carried out before entering, while and after completion in the field. In this case the analysis begun since formulating and explaining the problem, before going to the field, and continues until writing the results of research. Data analysis becomes a guide for further research until if possible, the theory is "grounded" (Sugiyono, 2017). The activities in qualitative data analysis are carried out interactively and take continuously place until they are finished, so that the data is saturated (Sugiyono, 2017). Activities in data analysis are data reduction, data display, and conclusion drawing/verification.

Nvivo is a qualitative data analysis software developed by Qualitative Solution and Research (QSR International). QSR is the first company to develop qualitative data analysis software. Nvivo was originally developed in 1981 by programmer Tom Richards named Non-Numerical Unstructured Data Indexing Searching and Theorizing (NUD * IST) (Bandur, 2016). Nvivo shows the main function of the software for data coding effectively and efficiently. Thus, the key to getting data presentations in the form of tables, graphs, diagrams, and models for qualitative researchers using Nvivo is how to code the data sources.

Based on the findings of the data that researchers obtained from informant, researchers found factors that influence of SQCDP in the implementation of lean manufacturing in the Directorate of Production of Indonesian Aerospace (IAe). There are 9 factors that can influence and further explored through the visualization of the QSR NVivo 12 Plus process in Table 2.

Table 2. The coding percentage results

Codes	Percentage of coding
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	references
Nodes\\Integrated system information	24%
Nodes\\Training	15%
Nodes\\Work dicipline	13%
Nodes\\Multi-function team	13%
Nodes\\Top management support	12%
Nodes\\Work culture	7%
Nodes\\Organizational communication	6%
Nodes\\Work motivation	5%
Nodes\\Employee engagement	4%

The findings of this research closely linked to the role of human resource, there are: (1) integrated information system (2) training, (3) work dicipline, (4) multi-function team, (5) top management support, (6) work culture, (7) organizational communication, (8) work motivation, and (9) employee engagement. Based on analysis using Nvivo 12 Plus, integrated information system is influential factor in SQCDP on implementation of lean manufacturing with higher coding reference presentation 24 percent. Second, training with reference coding presentations 15 percent. Third, work dicipline is 13 percent as influencing factors based on presentation of coding references. Fourth, multi-function team is to assist in solving the problems or situations at the production floor with a coding reference presentation 13 percent. Fifth, top management support in continuances of implementation of SQCDP is also one of the supporting factors with a reference coding presentation 12 percent. Sixth, work culture with a coding reference presentation 7 percent. Seventh, organizational communication with coding reference presentations 6 percent. Eighth, work motivation with a coding reference presentation 5 percent. Ninth, employee engagement with coding reference presentations was 4 percent.

SQCDP practice on lean manufacturing implementation are important to do, this is done as an effort to implement one of the lean tools & activities in implementation of lean manufacturing at the Directorate Production, IAe by eliminated waste. Therefore, to implement the SQCDP practice at Directorate Production must follow the procedures that have been released by lean department - IAe. Moreover, the findings of this study are follows:

A. Integrated Information System

Based on interview result with 9 key informants at Directorate Production Indonesian Aerospace (IAe), integrated information system is the factor that need to be implemented.

"... actually what we need right now is SQCDP become in line (integrated), from DM, CA and FD. Sometimes, there are some problems with delivery aspect, pending material from DM or CA, but they are not integrated with other divisions. Actually, there is SQCDP in DM, CA, FD, but it is not also in line yet, it is actually going back to it, later when it works, I think it will be great. So they can see what is my outstanding, for example to other divisions, especially material problems..." (Informant, 2018).

The delay of information amongst department can affect the supply chain flow. Besides, the SQCDP tools not implemented well. From the interview result with the key informant, the integrated system can easier the SQCDP practitioner for doing their jobs without re-checking of their job that occur of waste. Also, 5 aspects of integrated information system while implement SQCDP at directorate production was founds, there are: stocks (excessive documentation, unnecessary details), motion (manual intervention due to lack of integration between system), waiting (waiting for information), processes (delay in changing information), defect (inaccurate information), overproduction (multiple data source).

Based on (Hicks, 2007) waste of information management and lean thinking includes the efforts needed to prevent any difficulties in retrieving or accessing information, or activities that need to confirm and to rectify inaccurate information (e.g., gathering information or further verification). In general, lean philosophy in context of information management is to identify and sustain improvements focused on various aspects of information management that to eliminate waste and increasing flow of values.

Furthermore, systematic documentation also can eliminating waste in SQCDP practice. Excessive information and over-documentation was also included as waste category (Hölttä, Mahlamäki, Eisto, & Ström, 2010). Then, by integrating production control and lean department information can easier point of cost and delivery to be filled in SQCDP Panel.

B. Training

Lean thinking training can help the company to realize the goals of SQCDP on lean manufacturing im-

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plementation. The objectives training are increasing knowledge and employee motivation, especially in applying SQCDP to lean manufacturing implementation (Kasmir, 2016). In addition, training does not only focus on changing the mindset of people in the organization and practice-oriented, but also internal expert have to provide strategically and involving more people by uttering the purpose towards cultural change. Hence, SQCDP practice on implementation of lean manufacturing concept can achieved the goals.

Sustainable training strategies in using lean tools and lean implementations onward in cultural change improve the employee skills and knowledge (Birdi, K., Clegg, C., Patterson, M., Robinson, A., Stride, C.B., Wall, T.D., Wood, 2008). Moreover, training focuses on updating basic lean tools and techniques in order to the practitioners can involve with the implementation of lean manufacturing as the key aspect of maintaining practitioner's commitment to lean initiatives. In addition, training focuses on increasing the competency and skill levels of workers that can increase their versatility and achieve the greater levels of flexibility and adaptability in organizations (Ritzman, L. P. and Safizadeh, 1999).

C. *Work Dicipline*

As the interview result, work dicipline also as a factor of the lean manufacturing lean implementation. Awareness and willingness of employees of their duties, and responsibilities can achieve the SQCDP practice to be green identification result. Work dicipline is the implementation of management to reinforce the organizational guidelines (Mangkunegara, 2013).

D. *Multi-Function Team*

Multi-Function Team has the important factor for SQCDP implementation as a lean tools. The MFT concept is leading and coordinating continuous improvement which explains to be effective and efficient (Aerospace, 2018a). MFT member not only work on their daily routine, but also have to act as a facilitator/contact person for the problems/issues that need to support of their division to Production team in solving problems.

E. *Top Management Support*

Company need to align the objectives of SQCDP practices with the top management. In addition, top management is the main focus of system development project as the company's goal. They have to determine or influence them, goals and strategic initiatives planned if superiors fully support in realizing the effectiveness of a system. Top management support is: "the form manager support is for system users. One form of management support is providing facilities. These facilities can be in the form of training and provide assistance to system users when facing problems that related to the system" (Hartono, 2010). In this case, top management should be involved and support the sustainability of SQCDP practice in lean manufacturing implementation at Directorate Production Indonesian Aerospace (IAe).

F. *Work Culture*

By fully following the procedures/system of SQCDP and making it a habit, the SQCDP can run as accordance with the company goals. Habits can usually be seen from the way of the formation of organizational behavior, i.e. behavior that based on awareness of rights and obligations, freedom or authority and responsibility both personal and group within the scope of work environment. Another terms that stronger to be consider than attitude is the position, if the attitude can change the position it can be expected was not as a basis of firmness or strength. Thus, it can be interpreted that attitude is a mirror of behavior patterns are often thru a conscious or unconscious state, usually habits are difficult to fix quickly because it is naturally was brought from external, but can be overcome with the existence of the strict regulation from both organization or company (Taliziduhu, 2003).

G. *Organizational Communication*

Organizational communication are also as influencing factors of SQCDP practice, there are:

1. Speed of information obtained between departments can affect the supply chain flow without waiting others in order to confirm/provide the decision in advance. This is easier the employee to take a further action.
2. An accurate information can simplify the SQCDP practice becomes green identification (running smoothly).
3. Management have to understand and emphasize the importance of communication for better implementation in organization. Therefore, with the good communication process can ensure the employee to be more receptive to change and willing to accept the new ideas to achieved goals.

It is also related to (Sendjaja, 1994), stated that the organization can be seen as an information processing system. In the other hands, all members in an organization hope to get better and timely information. The infor-

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mation obtained allows each member of the organization to carry out its work with more certainty.

H. Work Motivation

The external factors of work motivation is a good supervision as accordance with Sutrisno. (Sutrisno, 2013) stated by the good supervise them they can complete their job properly without making any mistakes. It is also related with the findings that by giving assist of SQCDP practice at production floor can motivate them follow the procedure and doing their job as expected.

Furthermore, reward and recognition makes them to be valued and appreciated. This state also related to (Sutrisno, 2013) include in intern factor of motivation that someone works to get the reward from what they have done and they also try to gaining the recognition and respect from others .

I. Employee Engagement

The employee contribution increase the optimization of SQCDP practice at the production floor and this research related with (Bedarkar, M., & Pandita, 2014) that employee engagement refers to the broad and deep relationship between people and organizations.

5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

In this research we can identify the factors for implementing of SQCDP, there are: integrated information system, training, work discipline, multi-function team, top management support, work culture, organizational communication, work motivation, employee engagement. The data also indicates that the highest percentage result of influencing factor is integrated information system that could be affected by level of understanding that needs to be raised as the continuity of the implementation is going on. Integrated information system could be a significant role of the strategy for the global manufacturing that need to be understood, implemented and deployed effectively throughout the organization. The factor achieved from implementation of lean manufacturing in IAe, it is also found that IAe is ready to implementation, but to maintain the implementation needs to be done periodically.

Interview development phase was the biggest obstacle on this project. The busyness of the workers played an important part to increase the research time. Moreover, in this study by using Nvivo 12 Plus it is necessary to do carefully and thoroughly in the selection of the respondent team that aims to obtain more extensive information. This paper explorer the factors for successful lean implementation especially SQCDP as a tools and provide a concise description of the factor that will be helpful for further studies in lean manufacturing field. Another future work that could be done is to develop the lean factors more comprehensive. Also, an operation performance and business performance factor could be used as the impact of the lean implementation that can be used to improve the accuracy of lean manufacturing improvement towards the future.

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